

GOVERNMENT OF ANDHRAN PRADESH
ABSTRACT

Horticulture Department- Oil Palm Development Programme- Establishment of new oil palm processing units for allotment of 52 newly identified mandals in 8 districts – Orders- Issued.

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AGRICULTURE AND COOPERATION (HORTI) DEPARTMENT

G.O.Ms.No. 30

Dated:07 -02-2009.
Read the following:-

- 1.G.O.Ms.No. 223, A&C(Horti.) Department,dt.2.8.2008.
- 2.G.O.Ms.No. 224, A&C(Horti.) Department,dt.2.8.2008.
- 3.G.O.Ms.No. 273, A&C(Horti.) Department,dt.23.9.2008.
- 4.Notification dt:Nil of the COH,AP,Hyderabad.
- 5.G.O.Rt.No. 1206,A&C(Horti.) Department, dt.29.9.2008.
- 6.From C&MD, APIIC, Lr.No.83/CMD/APIIC/2008,dt.18.11.2008.

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ORDER:

In the reference 4th read above, the Commissioner of Horticulture, Andhra Pradesh, Hyderabad, had issued notification inviting applications from the interested individuals/ firms/ companies/co-operatives/farmers organizations for oil palm area expansion and setting up of Oil Palm Processing units in newly identified Mandals in 8 districts.

2. In the G.O.5th read above, orders were issued appointing Andhra Pradesh Industrial Infrastructure Corporation Limited, Andhra Pradesh, Hyderabad, to evaluate the applications submitted in pursuance of the Notification issued in News Papers inviting applications for establishment of new Oil Palm processing units for allotment of 53 newly identified Mandals in 8 districts and to submit report along with their recommendations by 15-11-2008.

3. In the reference 6th read above, the Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation has stated that the Mandals have been formed into Clusters, keeping in view the criteria of contiguity, viability and logistical convenience. In all,108 applications which were received for allotments, have been scrutinized and cluster wise short-listed panels were furnished for selection of the applicants one from each cluster at Government level. While short- listing the applicants, necessary evaluation has been done in consultation with the field staff of A.P. Cooperative Oilseeds Growers' Federation Limited, regarding the past experience, financial strength, technical tie up etc., and at the same time, duly providing a scope for new applicants, so as to ensure speedy development of Oil Palm sector in the State. Further the the Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, has requested to release a lump sum consultancy charges of Rs.10.00 lakhs to the Andhra Pradesh Industrial Infrastructure Corporation through A.P. Cooperative Oilseeds Growers' Federation Limited, for the evaluation exercise.

4. Government, after careful examination of the entire matter, hereby select 52 new mandals falling under 8 districts and categorized into clusters and allotted to the company indicated against each cluster of Mandals for setting up of Oil Palm processing units.

Contd. 2

5. The following Notification shall be published in the extraordinary issue of the A.P.Gazette:

NOTIFICATION

6. In exercise of the powers conferred by Section 11(1) & (2) of AP Oil Palm (Regulation of Production and Processing) Act, 1993 the Government of Andhra Pradesh hereby allot the following clusters of 52 Mandals existing in 8 Districts to the individuals/companies/firms/co-operatives/farmers organizations as indicated against cluster of Mandals for establishment of Oil Palm Processing units in the territorial jurisdiction of the respective cluster of Mandals.

<u>DISTRICT</u>	<u>NEWLY IDENTIFIED CLUSTER OF MANDALS (with map codes)</u>	<u>NAME OF THE COMPANY</u>
VIZIANAGARAM	Therlam (3) Sithanagaram(7) G.L.Puram(9)	1) M/s. Gopala Krishna Oil Extractions Limited.
	Pusa Pati Rega(8) Vizianagaram (1)	1) M/s. Sri Srinivasa Palm Oil Mills
	Jami (2) Gantyada (4)	1) M/s. R.V.Rayanam
	Kothavalasa (5) L.Kota (6)	1) M/s. Nagavalli Solvent Oils (Pvt) Ltd.
VSAKHAPATNAM	Achutapuram (1) Butchaiyyapeta (2)	1) M/s. Haripriya Palm Tech Pvt.Ltd.,
	Koyyuru (3) Makavarapalem (4)	1)M/s. Palm Tech INDIA Ltd.,
EAST GODAVARI	Atreyapuram (1) Kothapeta (2) Ravulapalem(3) Inavalli (4)	1) M/s. Subramaneyawara Agro products (P) Ltd.,
WEST GODAVARI	Undarajavaram (1) Peravali (2) Achanta (3) Penugonda (8)	1) M/s. Aroma Bio-Tech Pvt. Ltd.,
	Elamanchili (4) Mogalturu (5) Narasapuram (6)	1) M/s. Foods, Fats &Fertilizers (Pvt) Ltd.,
	Palakollu (7) Poduru (9)	1) Clean Foods Ltd.,

KHAMMAM	Aswapuram (1) Cherla (2) Venkatapuram (5)	1) M/s. APOILFED, Hyd.,
	Bhadrachalam (4) Kunavaram (3) V.R.Puram (6)	1) M/s. Farmax Retail Pvt. Ltd.,
NALGONDA	Garidepalli (1) Huzurnagar(3) Nered charla (10) Penphad (12)	1) M/s. Meghana Engg.&Infrastructure Limited.,
	Kodad (4) Mothe (7) Munagala (8) Nadigudem (9)	1) M/s. MAC Oil Farm
	Miryalaguda (6) Mellacheruvu (5) Tipparthi (13)	1) M/s. I.R.P.Agro Tech Ltd.,
	Halia (Anumula) (2) Nidamanur (11) Tripuravaram (14) Vemulapally (13)	1) M/s. Sarda Yellishalla Agro Tech (Pvt) Ltd.,
KRISHNA	Pedaparupudi	1) M/s. MAC Oilpalm Ltd.,
ANANTAPUR	Urvakonda Kudair Vajrakarur Bommanahal	1) M/s. M. Satyanarayana Raju

7. The companies/ individuals for whom the cluster of Mandals are allotted above shall be subject to the following conditions:-

i)The companies notified above shall make their own arrangements for obtaining Permission/licence from the authorities concerned in respect of water utilization, Environmental Pollution,Electricity, approval of Grampanchayat/ Municipality clearance etc .. The Government will not be responsible for obtaining those licence /permission.

ii) The companies, shall establish the processing units within 24 months after entering into agreement.

iii) The Companies to whom the allotment is made shall not change the name of their company at any time before closure of their operation and without prior approval of the Government, If the company changed its name at any time before closure of its operation without the prior approval of the Government, the facilities provided by the Government to such company shall be withdrawn without giving any prior notice .

iv) The allotted companies shall enter into an agreement with the Oil Palm Commissioner before commencement of the work of their oil palm processing units and abide by the terms and conditions prescribed therein the Memorandum of Agreement annexed to this order.

8. The Government also hereby order that the Commissioner of Horticulture shall pay Rs.2,16,000/-@ 2000/- per application to APIIC towards consultancy charges from National Horticulture Mission funds, as this is done in pursuance of the holistic approach recommended by the National Horticulture Mission.

9. The Commissioner of Horticulture, Andhra Pradesh, Hyderabad shall take further action accordingly.

10. This order issues with the concurrence of Finance (Exp.A&C) Department, vide their U.O.No 1590/70/A1/EAC/09, dt.7.2.2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

DR.S.CHELLAPPA,
APC & PRL.SECRETARY TO GOVERNMENT, ATM.

To

The Commissioner of Horticulture, Andhra Pradesh, Hyderabad.

The individuals/ Companies concerned through Commissioner of Horticulture, Andhra Pradesh, Hyderabad..

The A.P.Industrial Infrastructure Corporation Limited, Andhra Pradesh, Hyderabad.

The Commissioner of Printing, Stationery and Stores Purchase, Andhra Pradesh,

Hyderabad- with a request to publish the Notification in the extra-ordinary issue of the A.P.Gazette.

Copy to:

The Private Secretary to Special Secretary to CM.

The Private Secretary to Min.(Agri.&Horti.)

The Private Secretary to APC & Prl.Secy. to Govt.,ATM.

SC/SF

//FORWARDED BY ORDER//

SECTION OFFICER

ANNEXURE

MEMORANDUM OF AGREEMENT

This Agreement is made on thisday of2009 by and between;

The Governor of Andhra Pradesh represented by the Commissioner of Horticulture & Oil Palm Commissioner, Government of Andhra Pradesh (herein after referred to as Government which expression shall mean and include its successors/representatives) of the one part and -----(herein after referred to as “occupier of the Factory” which expression shall mean and include its Administrators, assignees ,owners and successors) on the other part.

Whereas the Area Expansion Programme for Oil Palm Development, has been approved by the Government of India and is being implemented by the State Government in the Potential districts of the State of Andhra Pradesh herein after called the “Project Area”.

And Whereas the State Government has divided the project area into zones and decided to allot the zones to various agencies for development.

And whereas, in order to avail the benefits under the project and to implement the project in accordance with the provisions under section 11 of the Andhra Pradesh Oil Palm (Regulation of Production and Processing) Act 1993 and the rules made thereunder and to comply with the directions of the State Government from time to time.

Now therefore the occupier of the Factory hereby undertake: -

Covering the establishment and functioning of the processing unit, development of oil palm nursery, supply of lands to farmers etc.

- 1) To prepare a detailed project report and submit to the Government within three months of signing of the agreement.

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2) To bring under cultivation through Oil Palm growers an area of _____ ha in their factory Zone as per the schedule mentioned below:-

Sl.No.	District / Mandal/ Village	Survey No.	Total coverage area (Ha.	Area Proposed for cultivation		Remarks
				Year	Extent in	

3) The allotted company should raise oil palm nurseries at its own cost with indigenous or imported oil palm seed sprouts following the due procedure. The allotted company has to arrange distribution of oil palm seedlings to the farmers in the area allotted to them as per the list and the price fixed by the Oil Palm Commissioner of Andhra Pradesh. The subsidy will be reimbursed to the company by Government within one month.

4) To establish Oil Palm nurseries for providing seedlings to the Oil Palm growers as per schedule mentioned below:-

(a) Indigenous Seed Sprouts Oil Palm Nursery

Sl.No	Mandal	Seed Nursery Area in Ha.	Year of Production	No.of seedlings to be raised (in lakhs)

(b) Imported Seed Sprouts Oil Palm Nursery

Sl.No	Mandal	Seed Nursery Area in Ha.	Year of Production	No. of seedlings to be raised (in lakhs)

On according the permission by the Commissioner of Oil Palm to get the seed sprouts to be imported and allotment made by the National Research Centre(Oil Palm), Pedavegi for the seed sprouts indigenously developed, the occupier of the factory zone should maintain the records and supply schedule and area to be covered with details of farmers to whom supplies are made, under intimation to Commissioner of Oil Palm and Assistant Director of Horticulture of the District.

5) To establish Oil Palm processing units comprising Oil mill/Refinery/Fractionation units of _____ capacity respectively as per the schedule given below.

Sl. No.	Proposed district for establishing processing unit	Name of the Unit / Firm	Capacity in MTs / Hour	Year of Commissioning

- (a) the allotted company should deposit an Earnest Money Deposit of Rs. 5.00 lakhs in favour of Government of Andhra Pradesh;
- (b) the allotted company should establish the processing unit within 24 months after entering into the agreement. The allotted company should bear all the investment at its own cost for purchase of land, setting up of processing unit obtaining other licences etc. The department of Horticulture will not provide any loans and subsidies for setting up of processing units;
- (c). to enhance the capacity of the CPO unit and refinery with the due approval of Commissioner of Oil Palm in confirmation with the proposed area under Oil Palm;
- (d). change of name/ Transfer of company, after entering into MOA with the Oil Palm Commissioner, the occupier of the Factory shall pay a transfer fee of Rs.1,00,000/- (Rupees one lakh only) which is non-refundable and it needs prior permission from Government of Andhra Pradesh. Failure to comply with this leads to forfeiture of EMD and cancellation of factory zone;
- 6)To identify and finalize the site for location of the processing unit with in two months from the date of receipt of final order of allotment of Zones.

- 7) To submit to the State Government a detailed Programme Evaluation Review Technique chart for establishing the processing unit within one month after identification of site for location of the plant.
- 8) To organize and arrange credit facilities to oil palm growers in that particular factory zone through banks/cooperatives
 - (a) The occupier of the factory shall necessarily open their input outlets within their factory zone for easy access to the oil palm growers to distribute fertilizers, pesticides and other relevant inputs duly obtaining all required licenses which are mandatory from the concerned authorities.
- 9) To provide technical guidance to Oil Palm growers in Factory zone for raising Oil Palm plantation.
 - a) To recruit adequate qualified technical staff of the subject concerned in coordination with the Department of Horticulture basing on the guidelines of the Government of Andhra Pradesh for the implementation of Oil Palm Development Programme. They should conduct a series of field oriented training programmes obtaining the help of experts in Oil Palm and disseminate the technical know-how from time to time to the oil palm growers and the same schedule to be informed to the Commissioner of Horticulture for information.
- 10) The allotted company should ensure that the following incentives are provided to the farmers by the Department of Horticulture for Development of Oil Palm Crop, which may change from time to time;
 - (i) plant material subsidy is provided @ 75% subject to a ceiling of Rs.7500/- (Rupees Seven Thousand and Five Hundred only) per ha. to accommodate 150 plants per ha including gap Filling;
 - (ii) cultivation subsidy at the rate of Rs.15,500/- (Rupees Fifteen Thousand and Five Hundred only) per ha. is being provided exclusively towards the cost of fertilizers during the gestation period of 4 years;

(iii) provide subsidy for drip system to oil palm at 70% of the cost of system to Rs.18,200/- per ha. subject to a maximum of Rs.50,000/- per family.

These scheme guidelines are liable for change. Government does not give any guarantee regarding the continuation of this scheme format for an indefinite term.

11)To ensure year round operations. The calendar of operations shall be informed through pamphlets / leaflets to the oil palm growers with latest package of practices for getting optimum yield in the local language.

12)To submit monthly progress reports of the project implementation to the Oil Palm Commissioner under copy to the respective Assistant Director of Horticulture of the District.

13)The occupier of the factory should submit to the Oil Palm Commissioner all the relevant information and documents called by him from time to time to satisfy himself that the occupier of the factory is taking effective steps for:-

- (i) Area Expansion
- (ii) Setting up of Nursery
- (iii) Setting of Oil Mill
- (iv) Setting up of Refinery

Failure to comply with the information, leads to the conclusion that the occupier of the factory is violating the terms and conditions of the MOA made with the Commissioner of Oil Palm, Andhra Pradesh and attracts forfeiture of deposit and cancellation of factory zone without assigning any reasons therefor.

14)To adhere to the provisions of :-

- (i) Andhra Pradesh Oil Palm (Regulation of Production and Processing) Act 1993;
- (ii) Andhra Pradesh Oil Palm (Regulation of Production and Processing) Rules 2008;

(iii) Directions of the Project Management Committee on oil palm (PMC) constituted by the State Government and directions issued by State Government / Oil Palm Commissioner from time to time for implementation of the project for the benefit of the oil palm growers.

15) The Occupier of the factory zone is responsible for purchase of Fresh Fruit Bunches from the existing plantations in their factory zone as per the rates fixed by the Government of Andhra Pradesh from time to time. In case any occupier of the factory does not commence processing of oil extraction unit, with in the time limit, they are supposed to purchase Fresh Fruit Bunches in that factory zone as per the rates fixed by the Government through their collection centers and arrange processing without suffering the farmers produce i.e. loss in weightage of Fresh Fruit Bunches. They are responsible for arranging collection centers in their respective factory zone and to arrange transportation of Fresh Fruit Bunches from collection centers to nearest processing units at their own cost.

In consideration of the undertaking given as above by the occupier of the factory, the State Government accept the same.

Signed by _____

For and on behalf of the
Government of Andhra Pradesh

Signed by _____

For and on behalf of the occupier
of the Factory

Place:
Date:

Place:
Date:

WITNESS
1)
2)

WITNESS
1)
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